

I SAN FRANCISCO, CALIF  
EXAMINER

m. 292,539  
S. 435,887

Front Edit Other  
Page Page Page

Date:

## Tax Probers Bare Secret CIA 'Front'

Herald Tribune News Service

WASHINGTON—The Central Intelligence Agency contributed money to a New York City tax-exempt foundation and presumably used it as a "front," it was disclosed yesterday.

As a result of the revelation by Rep. Wright Patman, Democrat of Texas, the usefulness of the J. M. Kaplan Fund, Inc., to the spy agency apparently has ended.

The fund has assets of around \$15 million, and was created in 1946 by Jacob Merrill Kaplan to "strengthen democracy at home and abroad through a program of general assistance to benevolent, charitable, educational, scientific and literary activities . . ."

Kaplan, 71, is former president of the Welch Grape Juice Co. and Hearn Department Stores, Inc., of New York, a director of Freedom House, and a trustee of the New School for Social Research.

How much money the CIA poured into the Kaplan fund, and how and for what purposes the money was spent,

was hidden behind a CIA "No comment."

Patman, chairman of a House small business subcommittee now investigating tax-exempt foundations for possible law violations, met behind closed doors with members of his group and unnamed representatives of the CIA.

Afterward, Patman issued a statement saying the subcommittee was dropping any CIA aspect of the Kaplan fund probe. There simply wasn't any connection of interest to the subcommittee, he said.

Earlier Patman had said that the CIA had "trifled with" him and he felt no obligation to conceal the fact that it had funneled money into the Kaplan fund.

The investigation of the Kaplan fund began when the subcommittee learned the

foundation had been under investigation by the New York office of the Internal Revenue Service since 1957. In that year, and again in 1958, the New York office recommended to Washington IRS headquarters revocation of the fund's tax exempt status.